such thing as a free lunch. Money borrowed has to be repaid. If you make obligations to expand the federal government's role in our health care system, you must have the money to back it up.

So how can the CBO make such a report? It is not because they are dishonest. It is because they scored the bill the Washington way, and the bill was written by Members of this body and staff who understand the Washington way. They write the bill in such a way to hide its true cost. Republicans have done this in the past, but we are reaching new levels of it today.

Under the Baucus plan, true costs are hidden. The bill's requirements that all individuals have insurance does not fully phase in, for example, until 2014. However, new fees on insurers, medical device companies, drug manufacturers and cuts to hospitals and doctors take effect almost immediately. For example, hospitals will take cuts and see more patients beginning in 2010, but individuals are not required to have insurance coverage until 2014. If you are an insurance company, you will face increased taxes and new annual fees beginning in 2010, but again—individuals are not required to have insurance until 2014. Doctors' pay is kept stable in 2010, but under the Finance Committee legislation, doctors are expected to take a 25-percent pay cut beginning in 2011.

Why have we been engaging in these budget gimmicks? Both parties have been guilty of doing this. Why don't we just make the difficult decisions? We have succeeded in balancing the budget in the past. But under the Sustainable Growth Rate formula as it applies today, our physicians the people that take care of us—would take a 25-percent cut in 2011. So, Congress fixes the formula, so to speak. We now call it the doctors' fix. We arrange for a short-term solution that keeps doctors' pay from being cut, but do not address the larger problem. If Congress were to fix the physician pay formula for 10 years, we would have about $300 billion more in costs to figure in to our budget as a deficit. The proposal that came out of the Finance Committee proposes to raise the doctors' fees for 1 year. It does not propose what is absolutely necessary: a 10-year fix for doctor pay. So, the Chairman acts as if an update to doctor pay will not happen in 2011 so that the bill does not have to reflect the true costs. And Congress will update doctor pay, as it has every year since 2002.

The bottom line is this: the true costs of the Finance Committee bill will not begin until the new provisions are all phased in in 2014.

The Senate Budget Committee estimates—and I am a member of the committee—show that the Finance Committee bill cost for 2014 to 2023 is actually $1.8 trillion. So although CBO says that it costs $829 billion from 2010 to 2019, if you look at numbers from 2014 to 2023, the cost is $1.8 trillion—twice as much—because the full benefits and expenses don't kick in until then that period.

Budget gimmicks used to offset the bill are misleading. This is not an honest way to represent the bill's costs, and it is designed for political reasons. It is designed to make the score look better than it is and to hide the true cost of enacting this legislation.

Let me use a chart.

The PRESIDING OFFICER. The Senator has used the existing time limit.

Mr. SESSIONS. I ask unanimous consent for 3 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SESSIONS. The Senate Finance Committee bill is paid for in a number of ways. Perhaps one of the most unjustified claims is that we are going to produce $404 billion in cuts to Medicare and Medicaid to fund an entirely new program.

First, it is doubtful that Congress will actually vote to cut $400 billion from Medicaid and Medicare. However, CBO must assume we are going to cut it because that it included in the Finance Committee bill. CBO also assumed in their budget that we were going to raise a lot of tax money by being more efficient in tax collections last year, but those new collections did not materialize either. The IRS said they wouldn't get them, and they were right. Our number one priority, if we were to somehow make Medicaid and Medicare more efficient and more honest and more effective and more productive and save $300 billion, that money should stay in Medicare and Medicaid. Medicare is going broke. We know that to be true. Medicare experts and the trustees issued a dire warning that unless measures are taken to shore up the program, it will be insolvent by 2017. We have known that for a long time. These $400 billion in cuts is very unlikely to happen. The rest of these basically are new taxes. I do not have time to go into them now.

But imagine this scenario: your family is running in a shortfall and you do not have enough money for your business and you have agreed that you would take on a Saturday job to make more income, would it be smart to buy a new car? You have a debt. You are trying to pay it down.

You take on more taxes, take on another job to bring in more income, but, in the midst of that, you start a new spending program? That is exactly what the Finance Committee bill proposes. Instead of getting Medicare on a sound footing, this bill raises taxes to create a new program. Supporters act like we should be thankful because it is deficit neutral, they say. That is not accurate. I know it, and every Senator in this body ought to know it if they have been around here very long.

I am sorry about where we are headed. This sort of scoring is the kind of flimflam financial management that has put us on the road to tripling the debt of the United States in 10 years. It is an abomination. Our children will be paying interest on our debts for the rest of their lives. Indeed, the interest on our national debt today is $170 billion. In 10 years, CBO says it will be $800 billion a year. Yet we spend only $100 billion a year on education, by contrast.

So I say, somehow we have to slow down, make some difficult choices, and recognize that we do not have the money to do everything we would like to do. We do not have the money, and Congress must be more serious and more committed to improving Medicare, saving the program, and not going hog wild with new programs that we do not have the money to fund.

I thank the Chair for allowing me to go over and I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Madam President, I ask unanimous consent to speak in morning business for 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE DEFICIT

Mr. DORGAN. Madam President, I know my colleague from South Dakota is waiting. I will try not to consume the entire 20 minutes. But let me first talk about deficit for a moment, since my colleague from Alabama described that.

I do not think there is anyone in here who takes a look at the fiscal policy we are on—and have been on for a long time—and feels very comfortable about it. It is not sustainable and we have to change it. But I do want to say this. It was not too long ago that this country went to war and, at the same time, cut taxes and did not pay for a penny of the war. In fact, even now we have people saying: Let's send 40,000 more troops to Afghanistan. I do not hear anybody suggesting we pay for that. What is that going to cost?

I will talk next week about my interest in what is happening in Afghanistan. I have been there. I have some real concerns about sending a lot of additional troops to Afghanistan and about our vital national interests. But let me say, whether it is fighting a war or deciding to send 40,000 more troops to another country, it costs money. Is everybody here willing to pay for it? Anybody willing to pay for it?

We have talked about this for years. We are in the middle of a war. We send men and women to the battlefield, and the fact is, not a penny of it has been paid for. In the previous administration, they insisted on tax cuts and pursuing a war strategy in Iraq and sending troops to Afghanistan and not paying for a penny of it. That also results in Federal budget deficits, and we have to resolve them.

The fact is, we cannot continue to describe a level of government the American people are unwilling or unable to pay for, and we have to get this fiscal policy under some control. Republicans and Democrats together are going to have to reconcile this. We must do it.

WALL STREET

Mr. DORGAN. Madam President, I came to the floor to talk about something else today. On the way to the Capitol this morning, I was thinking of this: a quote by Will Rogers. I heard on the radio again today that we have a couple things going on. No. 1, we have a whole lot of folks who have lost their home in the last quarter, with a record number of home foreclosures in our country—and then, in the same newscast, $140 billion in bonuses to be paid by the major firms on Wall Street. I am thinking maybe these are two different countries or at least two different economies. Here is what Will Rogers said many decades ago. He said:

> The unemployed here ain't eating regular, but we'll get around to them as soon as everybody else gets fixed up OK.

The unemployed ''ain't'' eating regular, but we will get around to them when everybody else gets fixed up.

Well, last year we watched some big shots steer this economy into the ditch. It caused an unbelievable financial wreck. It has had an impact on everything in this country. The fact is, we need to reform the system that allowed that to happen. But—do you know what?—as to the story I heard this morning about $140 billion of expected bonuses to be paid by the top 23 firms on Wall Street, the fact is, less than a year later, after the economic collapse in this country, we see these stories:

> The U.S. has lent, spent or guaranteed $11.6 trillion to bolster banks and fight the longest recession in 70 years.

By the way, ''banks'' here mean the biggest financial institutions in the country.

The Wall Street Journal, August 31 of this year:

> Wall Street is suiting up for a battle to protect one of it richest fiefdoms, the $592 trillion over-the-counter derivatives market. . . . Five U.S. commercial banks, including JPMorgan Chase & Co., Goldman Sachs Group Inc. and Bank of America Corp., are on track to earn more than $35 billion this year trading unregulated derivatives contracts.

This story is what we have been reading day after day.

Steven Pearlstein: ''The Dust Hasn't Settled on Wall Street, but History's Already Repeating Itself.''

> The Wall Street herd is at it again. Even as the cleanup crew is carting away the debris left by the last financial crisis, the investment banks, hedge funds and exchanges are busy working on the next one.

I will go through these in a hurry because there is a narrative here that is pretty easy to see.

The New York Times: ''A Year Later, Little Change on Wall St.''

> One year after the collapse of Lehman Brothers, the surprise is not how much has changed in the financial industry, but how little.
>
> . . . banks still sell and trade unregulated derivatives, despite their role in last fall's chaos.

The Washington Post, September 15: ''The Wall Street Casino, Back in Business.''

> Wall Street's actual role is more like that of a giant casino where the gamblers are rewarded for taking outrageous, unconscionable risks with other people's money. If the bets pay off, the gamblers win. If the longshot bets turn out to have been foolish, we're the ones who lose.

The Washington Post, September 8: ''A year after Lehman, Wall Street's Acting Like Wall Street Again.''

> [Wall Street] still operates on the principle of taking care of itself first, really big and [most] important customers second, everyone else last.

The Wall Street Journal, August 22: ''Bankers Play Dress Up With Old Deals.''

> Irresponsible securitization helped bring the financial system to its knees. Yet, as banks start to heal, little seems to have changed. Wall Street has quickly fallen back on old habits.

The Washington Post, September 11: ''Wall Street's Mania for Short-Term Results Hurts Economy.''

> It's been a year since the onset of a financial crisis that wiped out $15 trillion of wealth from the balance sheet of American households, and more than two years since serious cracks in the financial system became apparent. Yet while the system has been stabilized and the worst of the crisis has passed, little has been done to keep another meltdown from happening.

The Los Angeles Times: ''The Financial Meltdown: Crisis has not altered Wall Street.''

> Bellwether firms led by Goldman Sachs Group are churning out mouth-watering profits. Risk-taking and aggressive securities trading are mounting a comeback. And compensation—the lifeblood of Wall Street—is pushing back toward pre-crisis levels.

The Wall Street Journal, October 14: ''Wall Street On Track To Award Record Pay.'' That was yesterday.

> Major U.S. banks and securities firms are on pace to pay their employees about $140 billion this year—a record high. . . .
>
> Total compensation and benefits at . . . firms analyzed by the Journal are on track to increase 20% from last year's $117 billion—and to top 2007's $130 billion payout.

Total compensation and benefits at 23 major Wall Street firms—this, from the Wall Street Journal—you can see what has happened—2009—a record in the last 3 years. Nothing has changed.

CNN news:

> . . . there really is . . . this disconnect still between what's happening on Wall Street . . . and what's happening with the every day Joe. We talked about record home foreclosures once again, as we said these problems with employment, worries about whether benefits, jobless benefits are going to continue.
>
> On the flip side, . . . major banks and security firms are on pace to pay employees $140 billion this year . . . a record high.

And so it is. It was said once that investment banks are to productive enterprise like mud wrestling is to the performing arts. Well, I don't know, I guess that was tongue in cheek. We need investment banking in this country. It is essential for the creation of capital. It can, working properly, assist this country, and has assisted this country in lifting our economic opportunities.

But we have all too often, in recent years, seen the creation of exotic financial instruments that have almost nothing to do with creating wealth, except for those who trade them and those who created them. That is what steered this country into the ditch. CDOs, credit default swaps, unregulated derivatives, dark money—a lot of people got wealthy trading it. The fact is, it created an unbelievable bubble of risk that began to wind this economy down and finally steered this economy into a serious wreck last fall. The question is, What do we do about that? Well, when you hear on the same newscasts that we reached a record number of home foreclosures and people are still losing their jobs, and then, on the other hand, we see the very same interests that have been at the trough of the Federal Reserve Board for at least $8 trillion, at risk by the taxpayer, in loans and commitments to some of the biggest financial enterprises in the country and then you see $140 billion in compensation and bonuses from those firms? There is something disconnected here.

I want our financial system to work. I am not someone who comes to the floor of the Senate who says investment banks are worthless. That is not my point. We need investment banking. But we also need to understand we cannot take FDIC insured banks, those that are insured by the Federal Government, and decide it is OK if you trade on your own proprietary accounts on risky enterprises such as derivatives. That is all right. That is not all right. They may just as well put a keno pit or a craps table right in the middle of the bank lobby. Just call it what it is. It is simply flatout gambling with the taxpayers' money.

As we end this issue of financial reform, there are a lot of ideas around. What do you do to make sure this does not happen again? I wish to make this point: There is a doctrine called too big to fail. We have seen it in practice in the last year: interests that are too big, banks, investment banks especially, that are too big to fail, and so it is no-fault capitalism. Whatever risks they have taken, whatever losses they have had, the taxpayer picks that up to the tune of $11 trillion in exposure from Federal programs.

Well—do you know what?—when the dust is settled, and whatever is done on financial reform, if we do not address this issue of too big to fail, shame on us. In fact, the very firms that are declared too big to fail are now getting bigger, supported by the Federal government, and that is flat wrong.

Let me quote Professor Joseph Stiglitz:

> . . . our bail-outs run the risk of transferring large amounts of money . . . to those